



**Current Report No. 33/2017**

**Date: 2017-07-19**

**Issuer's trading name: SERINUS ENERGY INC.**

**Title: Production at Sabria and Chouech Es Saida fields in Tunisia continues to be temporarily shut-in**

**Legal basis: other regulations**

**Content:**

Pursuant to Article 62.8 of the Act of 29 July 2005 on Public Offering [...] and referring to the current reports No. 11/2017 and 26/2017 the Management of SERINUS ENERGY INC. ("Serinus" or the "Company") informs that in Canada via the SEDAR system it has published information that the Company's production at its Sabria and Chouech Es Saida fields in Tunisia continues to be temporarily shut-in due to continued social and labour unrest in the southern part of the country. The Sabria field has been shut-in since May 22nd and the Chouech Es Saida field further south has been shut-in since February 28th, 2017.

The continued protests in the southern region, over jobs and development, have blocked all oil field activities in the southern oilfields of Tunisia, and have shut down the major south-north oil export pipeline. There are two primary hot spots of protest affecting the Tunisian oil and gas industry: the Tataouine Governorate and the Kebili Governorate.

In the Tataouine region, where the Chouech Es Saida field is located, a large group of protestors started a sit-in on April 22nd at the El Kamour military check point. This check point provides access to the southern desert region, including the southern oilfields. The protestors illegally blocked any movement of supplies or people by road into the southern oil facilities, thereby preventing oil companies from carrying out oil and gas activity. On May 20th, the protestors attacked and disabled the SP4 valve station on the primary north-south oil export pipeline. This action resulted in all production (OMV, ENI, SODEPS & MEDCO) in the region being shut-in by June 5th, due to storage capacity limitations being reached. On June 16th, the El Kamour sit-in was lifted following an agreement between the sit-in committee and the government, with the commitment of the Union Générale Tunisienne du Travail ("UGTT") that this agreement for the Tataouine region would be implemented by June 18th. On this date, oil & gas production was resumed by OMV, ENI, SODEPS & MEDCO. However, the production stoppage resulted in damage to at least 9 oil wells, which will require significant capital investments to re-start production in the future. On June 27th, a group of illegal protestors from the town of Douz again closed a valve on the major north-south oil export pipeline at Bou Lahbal (100 km south of Douz). Despite the agreement being in place, on July 5th protestors from Tataouine again blocked the road leading to the southern desert region and seized a number of corporate four-wheel drive vehicles. On July 7th, OMV and SODEPS production from the southern Tataouine desert region was shut-in again and ENI shut-in production on July 10th, due to the pipeline closure. In a statement to the press, the Minister said that the oil companies must recruit 100 new hires during the month of July, 150 new hires in September, and 150 new hires in October. He added that there are plans to create 1,000 jobs in 2017 and a further 500 jobs in 2018. This is despite the fact that the total current workforce of the Tunisian oil companies is estimated to be 1,700 and that there is no ability among the oil companies to take on additional employment obligations under the current economic conditions.

In addition to the protests in the Tataouine region, parallel protests began in the Kebili region, where the Company's Sabria field is located. On April 4th, as a result of the protests in Tataouine, a social campaign named "where is the oil?" began in Kebili. Throughout the month of April, the protests increased in size and by May 7th the Kebili protestors started a sit-in at the Perenco facilities in Douz. These actions quickly escalated to a stoppage of production and abandonment of the facilities by Perenco staff. Serinus continued to truck Sabria crude oil at this time, but by May 19th the protests in the El Faouar region stopped all crude oil trucks from operating. At this time, a general strike in El Faouar was held requesting that the government promise to hold a dedicated ministerial meeting on the economic situation in the region. On May 22nd, given no response by the government, the El Faouar protestors arrived at the Serinus Sabria facilities and demanded that the Company stop production and evacuate all personnel from the field. The government attempted to de-escalate the situation with a ministerial meeting on May 25th. However, this meeting ended with no solution as the protestors rejected the 29 government initiatives offered as not being sufficient. The final demands of the protestors in El Faouar (Governorate of Kebili) are uncertain. However, the general framework is the

strengthening of development and employment in the region, including the creation of public projects, increased employment by the oil companies and strengthening the social and economic actions of oil companies, by increasing funding allocated for this purpose and the creation of subsidiaries in the governorate.

The Governor of Kebili has taken the initiative to help consolidate all the protestors demands into one manageable framework. On July 6th, a meeting was held at the Perenco El Franig facility between the protestors, the union and the government deputies. The outcome of this meeting was that the protestors accepted the Governor's proposal to unify the demands and to have just one coordinating committee for all the sit-ins from the different delegations, all under the supervision of UGTT.

The process is still ongoing and a meeting with the UGTT, concerning the Governor's proposal to unify the demands and to have just one coordinating committee for all the sit-ins from the different delegations, was held on Saturday, July 15th, 2017. At this meeting a committee was formed of all key representatives of the local associations, members of the assembly, protest groups and UGTT. A consolidated list of demands was written and will be submitted to the government.

As a result of the continued road blockages in the Kebili Governorate, the Company has been unable to restart oil production at Sabria. The Company has implemented cost-saving measures to reduce expenditures to the minimum level while still meeting its legal contractual commitments.

The Company continues to hold discussions with the government and other oil producers to closely monitor the situation. Over the past four months, the government has held numerous meetings with the protestors to seek a solution to the situation. Unfortunately, these protest actions and the shut-in of production in southern Tunisia have the unintended consequences of inflicting significant harm to the Tunisian economy, and self-defeating the goals of the protestors seeking employment growth and opportunities in southern Tunisia.

It is the Company's hope that a solution to the social unrest between the protestors and the government can be achieved as soon as possible and the oil production in the region can resume to the benefit of the country of Tunisia and all its citizens.

This text is a translation of the original news release in English, which has been filed by Company in Canada (country of its registered office ) by way of the SEDAR system and is available at the website [www.sedar.com](http://www.sedar.com) by entering the Company name – Serinus Energy Inc. at [http://www.sedar.com/search/search\\_form\\_pc\\_en.htm](http://www.sedar.com/search/search_form_pc_en.htm).